



## CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

July 24, 1998

### **S. 263**

### **Bear Protection Act of 1998**

*As ordered reported by the Senate Committee on Environment  
and Public Works on July 22, 1998*

#### **SUMMARY**

Assuming appropriation of the authorized amount, CBO estimates that implementing S. 263 would cost the federal government \$400,000 in fiscal year 1999 to prepare a required report to the Congress. Carrying out other provisions, most of which are related to enforcement activities, would have no significant impact on the federal budget. S. 263 could affect both direct spending and receipts; therefore, pay-as-you-go procedures would apply. The effect of any such changes, however, would be minimal and largely offsetting.

S. 263 contains an intergovernmental mandate as defined in the Unfunded Mandates Reform Act (UMRA), but this mandate would impose no significant costs on state, local, or tribal governments. Therefore, the threshold established in UMRA (\$50 million per year in 1996, adjusted annually for inflation) would not be exceeded. The bill would have no other significant impact on the budgets of those governments.

S. 263 also would impose private-sector mandates as defined by UMRA, but CBO estimates that the direct costs of those mandates would not exceed the annual threshold established in UMRA (\$100 million in 1996, adjusted annually for inflation).

#### **DESCRIPTION OF THE BILL'S MAJOR PROVISIONS**

S. 263 would prohibit any person from selling, importing, exporting, possessing, or transporting products containing any substance derived from bear parts. The bill would establish both criminal fines and civil penalties to be imposed on anyone who violates the prohibition. In addition, it would require that products found in the possession of violators be seized and forfeited to the United States. The bill's fines and product forfeiture provisions are similar to those imposed under the Lacey Act, which prohibits sales, imports, and other transactions involving endangered species. S. 263 would direct the Secretaries of the

Interior, the Treasury, and Transportation to enforce the legislation in the same manner as they enforce the Endangered Species Act of 1973 (ESA). Section 8 would require the U.S. Fish and Wildlife Service (USFWS) to submit a report, within one year of enactment, assessing the effects of illegal trade in bear parts. The bill would authorize the appropriation of \$400,000 to prepare the report.

## **ESTIMATED COST TO THE FEDERAL GOVERNMENT**

Assuming appropriation of the authorized amount, the USFWS would incur costs of \$400,000 to prepare the report required by section 8.

CBO expects that implementing S. 263 would not increase the enforcement responsibilities of federal agencies because they would carry out the legislation in conjunction with a number of other very similar laws, such as the ESA. No additional enforcement efforts would be necessary except for the initial promulgation of regulations by the USFWS in consultation with other agencies, such as the Department of Health and Human Services.

S. 263 could affect revenues from civil and criminal fines. CBO estimates, however, that any increase in revenues would be less than \$500,000 annually. Moreover, such changes would be offset by increases in direct spending from the crime victims fund (where criminal fines are deposited) or the resource management account of the USFWS (where civil fines are deposited and used for rewards to informers and other program costs).

## **PAY-AS-YOU-GO PROCEDURES**

The Balanced Budget and Emergency Deficit Control Act sets up pay-as-you-go procedures for legislation offsetting direct spending or receipts. Because S. 263 could affect both direct spending and receipts, pay-as-you-go procedures would apply, but CBO estimates that any such effects would not be significant.

## **ESTIMATED IMPACT ON STATE, LOCAL, AND TRIBAL GOVERNMENTS**

S. 263 contains an intergovernmental mandate as defined in UMRA, because the bill's prohibitions on trade in bear parts apply to state and local governments. This mandate would impose no significant costs on these governments, however, because they do not usually engage in the prohibited activities. The bill would have no other significant impact on the budgets of state, local, or tribal governments.

## **ESTIMATED IMPACT ON THE PRIVATE SECTOR**

S. 263 would impose new private-sector mandates as defined by UMRA, but CBO estimates that the direct costs of those mandates would not exceed the annual threshold established in UMRA. Under current law, anyone that wishes to import or export bear viscera or products containing bear viscera must obtain a permit under the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES). Under S. 263, CITES permits would no longer be allowed for the United States. Because most of the CITES permits granted for the U.S. in the last several years have not been for commercial trade, CBO concludes that the amount of trade affected by S. 263 would be small. Thus, the mandates in this bill would not impose significant costs on the private sector.

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